Wood you, could you, be my alternative investment?

By Editorial Staff *Thu, Jun 11, 2015*

TIAA-CREF, which announced the close of a new timberland investment vehicle, has been investing in timberland since 1998 and manages a portfolio of over $2 billion in timber assets around the world.

TIAA-CREF and one of its majority-owned subsidiaries, GreenWood Resources, a global timber management firm, today announced the close of the window for institutional investing in Global Timber Resources LLC (GTRCo), a $667 million global timber company.

TIAA-CREF invests part of its insurance general fund in agriculture and timber as sources of returns that are not correlated with the equity or fixed income markets. The non-profit provider of retirement plans primarily to educational institutions, and its affiliates, manage over $11 billion in agriculture, timber, energy, infrastructure, and other related investments, according to a release.

GTRCo is a new company designed to invest in timberland assets in North America, Latin America, Europe, and Asia. “It is principally focused on the development and management of sustainable plantation forestry assets to supply growing worldwide demand for wood and forestry products,” TIAA-CREF said in a release.

Besides the TIAA General Account, GTRCo has capital commitments from international institutions such as Caisse de dépôt et placement du Québec (Caisse), AP2 and the Greater Manchester Pension Fund, among others.

“We believe the macroeconomic fundamentals for timber investment are strong and see great potential for direct investment in emerging economies where we can benefit from low cost production and better proximity to growing demand,” said Jose Minaya, senior managing director and Head of Private Markets Asset Management, TIAA-CREF Asset Management.

GreenWood Resources will manage the new company’s portfolio of timber assets. TIAA-CREF acquired majority ownership of GWR in 2012. GWR develops and manages sustainable tree farms in targeted regions and has a vertically integrated management group with professionals in investment and financial management, improved plant material strategies, and day-to-day forestry operations. The company, a holding of TIAA-CREF Asset Management, manages approximately $950 million in assets for institutional investors, which includes the $667 million of capital committed to GTRCo.

TIAA-CREF has been investing in timberland since 1998 and manages a portfolio of over $2 billion in timber assets around the world. Today's announcement builds on TIAA-CREF Asset Management's $124 billion alternative investment platform focused on real estate, farmland, timber, infrastructure, energy, private equity and commodities.

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